

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents
November 17, 2011

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and
Silicium Energy

Action Requested: Approval of Option Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement that then triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by this Committee and agreed to by the parties involved in this plan.

This proposed option agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Akram Boukai is both an employee of the University of Michigan ("University") and partial owner of Silicium Energy. The law permits such an Agreement provided it is disclosed to the executive officers and approved in advance by a 2/3 vote of the Regents of the University of Michigan.

Background:

Dr. Akram Boukai, a professor in the Department of Materials Science and Engineering, is a partial owner of a for-profit company called Silicium Energy (the "Company"). The Company was formed recently to commercialize silicon based thermoelectric devices using block copolymer nanolithography and desires an option from the University of Michigan to the University's rights associated with the following technologies:

UM OTT File No. 5066, entitled: "Silicon Based Thermoelectric Devices Using Block Copolymer Nanolithography" (Boukai, Tuteja, Lee)

The Office of Technology Transfer selected the Company as a University partner and negotiated the terms of the proposed Agreement in accordance with University policy and its accepted licensing principles.

Parties to the Agreement:

The Regents of the University of Michigan and Silicium Energy

Agreement Terms Include:

Agreement terms include granting the Company an option to an exclusive license with the right to grant sublicenses. The Company will pay an option fee and reimburse patent costs during the term of the option. The University will retain ownership of the optioned technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the Agreement. Standard disclaimers of warranties and indemnification apply, and the Agreement may be amended by consent of the parties, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Dr. Boukai arise from his ownership interest in Silicium Energy.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an option to obtain a worldwide exclusive license agreement for patents related to UM OTT File No. 5066 for all fields of use.

Silicium Energy will obtain an option for use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee. In light of this disclosure and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve the Option Agreement between the University and Silicium Energy.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Stephen R. Forrest
Vice President for Research

November 2011